

Form **990****Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

OMB No. 1545-0047

**2009**Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**Open to Public Inspection****For the 2009 calendar year, or tax year beginning** 7/01 **, 2009, and ending** 6/30 **, 2010**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Please use IRS label or print or type. See specific instructions. <b>BANYAN SCHOOL, INC.</b> <b>12 HOLLYWOOD AVENUE</b> <b>FAIRFIELD, NJ 07004</b>	<b>D</b> Employer Identification Number <b>22-3250959</b>
		<b>E</b> Telephone number <b>(973) 439-1919</b>
		<b>G</b> Gross receipts \$ <b>5,161,662.</b>
		<b>F</b> Name and address of principal officer <b>SAME AS C ABOVE</b>
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( <u>3</u> ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'No,' attach a list (see instructions)
<b>J</b> Website: <b>N/A</b>		<b>H(c)</b> Group exemption number ▶
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation <b>1993</b> <b>M</b> State of legal domicile <b>NJ</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>EDUCATION OF HANDICAPPED CHILDREN</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b> <b>13</b>	
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b> <b>13</b>	
	<b>5</b> Total number of employees (Part V, line 2a)	<b>5</b> <b>68</b>	
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b> <b>0</b>	
	<b>7a</b> Total gross unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b> <b>0.</b>	
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b> <b>0.</b>	
	<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> <b>207,067.</b> <b>Current Year</b> <b>229,915.</b>
		<b>9</b> Program service revenue (Part VIII, line 2g)	<b>4,509,281.</b> <b>4,931,451.</b>
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7)		<b>986.</b> <b>296.</b>	
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			
<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		<b>4,717,334.</b> <b>5,161,662.</b>	
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)			
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)			
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		<b>3,600,143.</b> <b>3,740,015.</b>	
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)			
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>178,996.</b>			
<b>Expenses</b>	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>1,146,839.</b> <b>1,383,193.</b>	
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>4,746,982.</b> <b>5,123,208.</b>	
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>-29,648.</b> <b>38,454.</b>	
	<b>Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Year</b> <b>1,079,219.</b> <b>End of Year</b> <b>1,070,742.</b>
		<b>21</b> Total liabilities (Part X, line 26)	<b>614,928.</b> <b>567,997.</b>
		<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>464,291.</b> <b>502,745.</b>

**Part II Signature Block**

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	<b>▶</b> <u>Mary Jo Saunders</u> Signature of officer	<b>▶</b> <u>May 9, 2011</u> Date
	<b>▶</b> <u>MARY JO SAUNDERS</u> Type or print name and title	
	<b>▶</b> <u>DIRECTOR</u>	

<b>Paid Preparer's Use Only</b>	<b>Preparer's signature</b> ▶ <u>RONALD ZUCKERMAN CPA</u>	<b>Date</b> <u>5/06/11</u>	<b>Check if self-employed</b> <input type="checkbox"/>	<b>Preparer's identifying number (see instructions)</b> <u>P00521773</u>
	<b>Firm's name (or yours if self-employed), address, and ZIP + 4</b> ▶ <u>RONALD ZUCKERMAN, PA</u> <u>744 MOUNTAIN BOULEVARD</u> <u>WATCHUNG, NJ 07069</u>	<u>Ronald Zuckerman</u>	<b>EIN</b> ▶ <u>22-3327023</u>	<b>Phone no</b> ▶ <u>908-668-7560</u>

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0113L 12/29/09

Form **990** (2009)

917

8

**Part III** Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

EDUCATION OF HANDICAPPED CHILDREN

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code ) (Expenses \$ 4,494,379. including grants of \$ ) (Revenue \$ )

THE SCHOOL PROVIDES EDUCATIONAL AND RELATED SERVICES TO CHILDREN WITH LEARNING DISABILITIES

4b (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses ▶ 4,494,379.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 <b>Section 501(c)(3) organizations</b> Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II		X
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If 'Yes,' complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 Is the organization's answer to any of the following questions 'Yes'? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
<ul style="list-style-type: none"> <li>Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI</li> <li>Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII</li> <li>Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII</li> <li>Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX</li> <li>Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X</li> <li>Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If 'Yes,' complete Schedule D, Part X</li> </ul>		
12 Did the organization obtain separate, independent audited financial statement for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII		X
12A Was the organization included in consolidated, independent audited financial statement for the tax year? If 'Yes,' completing Schedule D, Parts XI, XII, and XIII is optional	Yes	No
		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E	X	
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If 'Yes,' complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Part III		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H		X

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If 'Yes,' complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		X
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O.	X	

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Form 990 (2009)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1 a</b>	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	<b>1a</b>	15
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b>	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	X
<b>2 a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b>	68
<b>2 b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	<b>2b</b>	X
<b>3 a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>3a</b>	X
<b>b</b>	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O	<b>3b</b>	
<b>4 a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	X
<b>b</b>	If 'Yes,' enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5 a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	X
<b>c</b>	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	<b>5c</b>	
<b>6 a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	<b>6a</b>	X
<b>b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	X
<b>b</b>	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	X
<b>d</b>	If 'Yes,' indicate the number of Forms 8282 filed during the year	<b>7d</b>	
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	X
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b>	Did the organization make any distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>b</b>	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from other members or shareholders	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12 a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	

**Part VI Governance, Management and Disclosure** For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body	1a	13
b Enter the number of voting members that are independent	1b	13
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a material diversion of the organization's assets? SEE SCH O	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O	9	X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	X
b If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O		
12a Does the organization have a written conflict of interest policy? If 'No,' go to line 13.	12a	X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done	12c	X
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers of key employees of the organization	15b	X
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

**Section C. Disclosures**

17 List the states with which a copy of this Form 990 is required to be filed ▶ NJ

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. SEE SCHEDULE O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:

▶ TAXPAYER 12 HOLLYWOOD AVENUE FAIRFIELD NJ 07004 973 439-1919

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors****Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of 'key employees.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
PAUL DWORKIS PRESIDENT	0							0.	0.	0.
ROBERT TREDINNICK TREASURER	0							0.	0.	0.
BURT HENRY TRUSTEE	0							0.	0.	0.
ROBERT DORKIN SECRETARY	0							0.	0.	0.
THOMAS FEKETE TRUSTEE	0							0.	0.	0.
HELENE HARRISON TRUSTEE	0							0.	0.	0.
JOE ATAMANIUK TRUSTEE	0							0.	0.	0.
PETER LAYNE TRUSTEE	0							0.	0.	0.
STEPHEN LAGANO TRUSTEE	0							0.	0.	0.
JANET ZATTA TRUSTEE	0							0.	0.	0.
BILL GALLAGHER VICE PRESIDENT	0							0.	0.	0.
ALEXANDRA PYRROS VICE PRESIDENT	0							0.	0.	0.
MARY JO SAUNDERS DIRECTOR	40				X			160,000.	0.	11,102.
LORI GROSS TEACHER	35					X		95,823.	0.	3,512.
KAREN STURTZ PRINCIPAL	35					X		90,000.	0.	1,800.
LAURIE DIAMOND TEACHER	35					X		74,952.	0.	9,419.
SUSAN LEITINGER TEACHER	35					X		75,859.	0.	9,437.

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont.)**

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
LORI MICHEL TEACHER	35					X		72,340.	0.	9,367.
<b>1b Total</b>								<b>568,974.</b>	<b>0.</b>	<b>44,637.</b>

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **1**

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual

	Yes	No
3		X
4	X	
5		X

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes,' complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If 'Yes,' complete Schedule J for such person

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of Services	(C) Compensation
STEVEN TOBIAS PSYD 145 WASHINGTON STREET MORRISTOWN, NJ 07960	PSYCHOLOGIST	77,188.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**



**Part VIII Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS</b>	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 229,915.				
	g Noncash contribns included in lns 1a-1f	\$				
	<b>h Total.</b> Add lines 1a-1f		229,915.			
<b>PROGRAM SERVICE REVENUE</b>	2a <u>TUITION</u>	Business Code 611600	4,931,451.			4,931,451.
	b					
	c					
	d					
	e					
	f All other program service revenue					
	<b>g Total.</b> Add lines 2a-2f		4,931,451.			
	<b>OTHER REVENUE</b>	3 Investment income (including dividends, interest and other similar amounts)		296.		
4 Income from investment of tax-exempt bond proceeds						
5 Royalties						
6a Gross Rents		(i) Real (ii) Personal				
b Less: rental expenses						
c Rental income or (loss)						
d Net rental income or (loss)						
7a Gross amount from sales of assets other than inventory		(i) Securities (ii) Other				
b Less: cost or other basis and sales expenses						
c Gain or (loss)						
d Net gain or (loss)						
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18		a				
b Less: direct expenses		b				
c Net income or (loss) from fundraising events						
9a Gross income from gaming activities. See Part IV, line 19		a				
b Less: direct expenses		b				
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances		a				
b Less: cost of goods sold		b				
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11a						
b						
c						
d All other revenue						
<b>e Total.</b> Add lines 11a-11d						
<b>12 Total revenue.</b> See instructions		5,161,662.	0.	0.	4,931,747.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	160,000.	63,200.	96,800.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	2,979,886.	2,752,874.	133,231.	93,781.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	61,831.	56,541.	4,136.	1,154.
9 Other employee benefits	224,310.	201,177.	16,433.	6,700.
10 Payroll taxes	313,988.	281,607.	23,003.	9,378.
11 Fees for services (non-employees)				
a Management				
b Legal	7,136.		7,136.	
c Accounting	92,633.		92,633.	
d Lobbying				
e Prof fundraising svcs. See Part IV, In 17				
f Investment management fees				
g Other				
12 Advertising and promotion	21,482.	20,800.	682.	
13 Office expenses	31,621.	22,740.	8,881.	
14 Information technology				
15 Royalties				
16 Occupancy	399,149.	359,234.	39,915.	
17 Travel	1,289.	970.	319.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	4,046.	3,846.	200.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,010.	6,010.		
23 Insurance	19,254.	14,913.	4,341.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a EDUCATIONAL SERVICES	307,144.	307,144.		
b INSTRUCTIONAL EXPENSES	245,429.	245,429.		
c REPAIRS AND MAINTENANCE	123,637.	123,637.		
d FUNDRAISING EXPENSES	66,058.			66,058.
e FIELD TRIPS	19,299.	19,299.		
f All other expenses	39,006.	14,958.	22,123.	1,925.
25 Total functional expenses. Add lines 1 through 24f	5,123,208.	4,494,379.	449,833.	178,996.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	1 Cash — non-interest-bearing		1	
	2 Savings and temporary cash investments	680,751.	2	634,600.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	290,933.	4	287,202.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	69,452.	9	114,437.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 219,938.		
	b Less: accumulated depreciation.	10b 207,485.	16,033.	10c 12,453.
	11 Investments — publicly-traded securities		11	
	12 Investments — other securities See Part IV, line 11		12	
	13 Investments — program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	22,050.	15	22,050.
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	1,079,219.	16	1,070,742.	
<b>LIABILITIES</b>	17 Accounts payable and accrued expenses	232,776.	17	182,849.
	18 Grants payable		18	
	19 Deferred revenue	17,742.	19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	364,410.	25	385,148.
	26 <b>Total liabilities.</b> Add lines 17 through 25	614,928.	26	567,997.
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29 and lines 33 and 34.</b>			
	27 Unrestricted net assets	33,600.	27	-30,903.
	28 Temporarily restricted net assets		28	92,004.
	29 Permanently restricted net assets	430,691.	29	441,644.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, and equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances.	464,291.	33	502,745.
34 <b>Total liabilities and net assets/fund balances.</b>	1,079,219.	34	1,070,742.	

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Form 990 (2009)

**Part XI Financial Statements and Reporting**

1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other

If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

	Yes	No
2a	X	
2b	X	
2c	X	
3a		X
3b		

b Were the organization's financial statements audited by an independent accountant?

c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

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Form 990 (2009)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)						
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						
3 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.						
4 <b>Total.</b> Add lines 1-through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 <b>Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 <b>Total support.</b> Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions).					12	

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%

16a **33-1/3 support test – 2009.** If the organization did not check the box on line 13, and the line 14 is 33-1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization. ☐

b **33-1/3 support test – 2008.** If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ☐

17a **10%-facts-and-circumstances test – 2009** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ☐

b **10%-facts-and-circumstances test – 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ☐

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Schedule A (Form 990 or 990-EZ) 2009

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (add lines 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%
19a 33-1/3 support tests — 2009. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 33-1/3 support tests — 2008. If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions	<input type="checkbox"/>	

**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

[illegible]



**SCHEDULE D  
(Form 990)**Department of the Treasury  
Internal Revenue Service  
Name of the organization**Supplemental Financial Statements**

- Complete if the organization answered 'Yes,' to Form 990,  
Part IV, lines 6, 7, 8, 9, 10, 11, or 12.  
► Attach to Form 990. ► See separate instructions

OMB No 1545-0047

**2009****Open to Public  
Inspection**

Employer identification number

BANYAN SCHOOL, INC.

22-3250959

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

**Part II Conservation Easements** Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easement it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other \_\_\_\_\_

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

**Part IV Escrow and Custodial Arrangements** Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

	Amount
1c	
1d	
1e	
1f	

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b If 'Yes,' explain the arrangement in Part XIV.

**Part V Endowment Funds** Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net Investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ \_\_\_\_\_ %

b Permanent endowment ▶ \_\_\_\_\_ %

c Term endowment ▶ \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated Depreciation	(d) Book Value
1a Land.				
b Buildings				
c Leasehold improvements		183,157.	172,500.	10,657.
d Equipment				
e Other		36,781.	34,985.	1,796.
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				12,453.

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Schedule D (Form 990) 2009





<b>Part XIV</b>	<b>Supplemental Information</b> <i>(continued)</i>
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**SCHEDULE E**  
**(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service**Schools**

- **Complete if the organization answered 'Yes' to Form 990, Part IV, line 13,  
or Form 990-EZ, Part VI, line 48.**  
► **Attach to Form 990 or Form 990-EZ.**

OMB No 1545-0047

**2009****Open to Public  
Inspection**

Name of the organization

**BANYAN SCHOOL, INC.**

Employer identification number

**22-3250959**

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	<b>1</b> X	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	<b>2</b> X	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it had no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe. If 'No,' please explain. If you need more space, use Schedule O (Form 990) <u>ADVERTISEMENTS ARE PLACED IN LOCAL NEWSPAPERS, MAGAZINES AND WEBSITE WHICH</u> <u>STATE THE NON-DISCRIMINATORY POLICY OF THE SCHOOL AND PROMOTE ENROLLMENT.</u>	<b>3</b> X	
4 Does the organization maintain the following? <b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? <b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? <b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? <b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No,' to any of the above, please explain. If you need more space, use Schedule O (Form 990).	<b>4a</b> X <b>4b</b> X <b>4c</b> X <b>4d</b> X	
5 Does the organization discriminate by race in any way with respect to: <b>a</b> Students' rights or privileges? <b>b</b> Admissions policies? <b>c</b> Employment of faculty or administrative staff? <b>d</b> Scholarships or other financial assistance? <b>e</b> Educational policies? <b>f</b> Use of facilities? <b>g</b> Athletic programs? <b>h</b> Other extracurricular activities? If you answered 'Yes,' to any of the above, please explain. If you need more space, use Schedule O (Form 990).	<b>5a</b> <b>5b</b> <b>5c</b> <b>5d</b> <b>5e</b> <b>5f</b> <b>5g</b> <b>5h</b>	X X X X X X X X
6a Does the organization receive any financial aid or assistance from a governmental agency?	<b>6a</b>	X
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes,' to either line 6a or line 6b, please explain on Schedule O (Form 990).	<b>6b</b>	X
7 Does the organization certify that it has complied with the applicable requirements of sections 401 through 405 of Rev. Proc. 75-50, 1975-2 CB 587, covering racial nondiscrimination? If 'No,' explain on Schedule O (Form 990).	<b>7</b> X	

**SCHEDULE J**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

- Complete if the organization answered 'Yes' to Form 990, Part IV, line 23.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2009****Open to Public  
Inspection**

Name of the organization

BANYAN SCHOOL, INC.

Employer identification number

22-3250959

**Part I Questions Regarding Compensation**

1 a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- ☐ First-class or charter travel  
☐ Travel for companions  
☐ Tax indemnification and gross-up payments  
☐ Discretionary spending account

- ☐ Housing allowance or residence for personal use  
☐ Payments for business use of personal residence  
☐ Health or social club dues or initiation fees  
☐ Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- ☒ Compensation committee  
☐ Independent compensation consultant  
☐ Form 990 of other organizations

- ☒ Written employment contract  
☐ Compensation survey or study  
☐ Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If 'Yes' to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If 'Yes' to line 6a or 6b, describe in Part III.

7 For person listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III.

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If 'Yes,' describe in Part III

9 If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

X

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule J (Form 990) 2009





**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No 1545-0047

**2009**

**Open to Public  
Inspection**

Name of the organization

BANYAN SCHOOL, INC.

Employer identification number

22-3250959

**FORM 990, PART VI, LINE 5 - DESCRIPTION OF MATERIAL DIVERSION OF ASSETS**

HUMAN RESOURCE EMPLOYEE WAS REFERRED TO ESSEX COUNTY PROSECUTOR FOR DIVERTING

APPROXIMATELY \$20,000 IN THE SUMMER OF 2009

**FORM 990, PART VI, LINE 11 - FORM 990 REVIEW PROCESS**

FORM 990 WAS CIRCULATED BY E-MAIL FOR REVIEW BY BOARD MEMBERS.

**FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE**

UPON REQUEST

Name of the organization

BANYAN SCHOOL, INC.

Employer identification number

22-3250959

**Application for Extension of Time To File an  
Exempt Organization Return**

OMB No 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*

<b>Type or print</b>  File by the due date for filing your return. See instructions	Name of Exempt Organization	Employer identification number
	BANYAN SCHOOL, INC.	22-3250959
	Number, street, and room or suite number. If a P.O. box, see instructions	
	12 HOLLYWOOD AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	FAIRFIELD, NJ 07004	

**Check type of return to be filed** (file a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- The books are in the care of ► **TAXPAYER**

Telephone No ► **973 439-1919**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 2/15, 20 11, to file the exempt organization return for the organization named above.  
The extension is for the organization's return for:

- ☐ calendar year 20\_\_ or
- ☒ tax year beginning 7/01, 20 09, and ending 6/30, 20 10.

2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	0.
<b>b</b> If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
<b>c Balance Due.</b> Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.**Form **8868** (Rev. 4-2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	BANYAN SCHOOL, INC.	22-3250959
	Number, street, and room or suite number. If a P.O. box, see instructions.	For IRS use only
	RONALD ZUCKERMAN, PA 744 MOUNTAIN BOULEVARD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	WATCHUNG, NJ 07069	

**Check type of return to be filed** (File a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in care of TAXPAYER  
Telephone No. 973 439-1919 FAX No. \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until 5/15, 20 11.
- For calendar year \_\_\_\_\_, or other tax year beginning 7/01, 20 09, and ending 6/30, 20 10.
- If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- State in detail why you need the extension TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN.

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b> \$
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b> \$
<b>c Balance Due.</b> Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instrs.	<b>8c</b> \$

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature \_\_\_\_\_ Title **DIRECTOR** Date \_\_\_\_\_

BANYAN SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING**

Private schools for the handicapped in New Jersey are required to prepare financial statements in accordance with N.J.A.C. 6A:23A-18.1 through 18.16. The purpose of the financial statements are to verify the certified actual cost per pupil and the actual tuition rate charged for each private school for the handicapped. The actual tuition rate charged shall be used to generate tuition adjustments, if any, between the private schools and New Jersey public school sending districts.

These statements may or may not reflect the results of operations and should not be used for any purpose other than the determination of a tuition rate. The expenses used to verify the certified actual cost per pupil and the actual tuition rate charged are based on allowable expenses determined by the Department of Education.

The Department of Education requires a balance sheet; statement of support and revenue, expenses, capital additions and changes in fund balances; statement of accrued expenses and accounts payable; statement of total expenditures by account series; statement of expenditures by line item; statement of the average daily enrollment; statement of interest dividends earned on investment of tuition funds; statements of tuition rate computation; a statement of billing adjustments; a statement of food service income and expense; and a statement of non-allowable costs.

**PROPERTY AND EQUIPMENT**

Equipment and leasehold improvements are stated at cost. Depreciation and amortization of equipment is provided on the straight-line method over the Federal life, or in the case of leaseholding improvements, over the remaining lease term.

Additions costing less than \$2,000 are expensed in accordance with N.J.A.C. 6A:23A-18.1 et seq.

**TAX EXEMPT STATUS**

The School is a charitable, non-profit organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

BANYAN SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING

These financial statements which are presented on the accrual basis of accounting, have been prepared to focus on the School as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. According, fund balances and changes therein are classified as follows:

Public school restricted - fund balances relating to activities carried on using public school money.

Restricted - other - fund balances are subject to donor-imposed stipulations that the School temporally or permanently maintained that permit the School to use all or part of the income earned on related investments for general or specific purposes. Temporarily restricted fund balances have donor-imposed restrictions that will be met by actions of the School or by the passage of time.

Unrestricted fund balances not subject to donor-imposed stipulations.

Revenues related to public school district money are reported as increases in public school restricted and all the other revenue is reported as an increase a unrestricted fund balance unless use of the related asset is limited by donor-imposed restrictions. Expenses related to public school district funds are reported as decreases in public school restricted and all other expenses are reported as decrease in unrestricted fund balances.

BAD DEBTS

No allowance for bad debts has been provided for. The Banyan School, Inc. ("the School") writes-off uncollectible accounts on the direct method, after three years have elapsed and reasonable collection efforts have been made, in accordance with procedures prescribed by the New Jersey Department of Education.

DONATED SERVICES

No amounts have been reflected in the financial statements for donated services. The School pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the School with campaign solicitations and various committee assignments. The School receives approximately 1,000 volunteer hours per year.

BANYAN SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

USE OF ESTIMATES

The preparation of financial statements in conformity with New Jersey Department of Education requirements includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

NOTE 2: PRIVATE SCHOOL CLASSIFICATION

Banyan School, Inc. was formed in August 1993. The School was approved by the Jersey State Department of Education as private non-profit school effective with the school year beginning September 1994.

The School is approved to serve students requiring programs for specific learning disability, the communication impaired and multiply disabled. During the year ended June 30, 2010 the school program included privately placed students.

The majority of the School's business activity is with New Jersey Public School sending districts in surrounding areas that are unable to provide the specialized care necessary to educate these children.

NOTE 3: LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Depreciation is computed on the straight-line method, calculated to amortize the cost of assets over their estimated useful lives, which range from 5 – 10 years for equipment, 5 – 20 years for improvements.

Additions costing less than \$2,000 are expensed in accordance with N.J.A.C. 6A:23-4.4(a)3.

Leasehold improvements and equipment are stated at cost and consist of the following:

	Cost	Accumulated Depreciation and Amortization	Net
<u>Primary School Program</u>			
Non-instructional equipment	\$ 36,781	\$ 34,985	\$1,796
Leasehold improvements	<u>166,862</u>	<u>165,082</u>	<u>1,780</u>
	<u>\$203,643</u>	<u>\$200,067</u>	<u>\$3,576</u>
<u>Upper School Program</u>			
Leasehold improvements	<u>16,295</u>	<u>7,418</u>	<u>8,877</u>
Total	<u>\$219,938</u>	<u>\$207,485</u>	<u>\$12,453</u>

Depreciation and amortization charged to expense for the year ended June 30, 2010 amounted to \$6,010 .



BANYAN SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

NOTE 4: COMMITMENTS

RENTAL AGREEMENTS

In August 2000, The School entered into a five year lease for a Primary School Program facility in Fairfield, New Jersey. The lease was further extended effective September 1, 2010 terminating August 31, 2015, with escalating monthly payments ranging from \$12,186 to \$13,715 with additional utility payments of \$1,500 per month. Utilities expense will be calculated yearly by the landlord under a formula, the difference is to be assessed or refundable to the School. Rent expense for the year ended June 30, 2010 was \$147,894. The School may terminate this extension agreement after a minimum of three years have elapsed.

Effective July, 2006, the School entered into a five year lease for an Upper School facility in Little Falls, New Jersey. The lease will terminate June 30, 2011 with one option period of an additional three years. Rent will be paid is escalating payments of \$11,025 to \$12,898 per month plus common area and utilities expense of \$1,500 per month and will be adjusted annually under a formula with any excess charged to the school. Rent expense for the Upper School was \$148,824 for the year ended June 30, 2010.

Future minimum lease payments are as follows:

	<u>Total Facilities</u>	<u>St Thomas Moore Church</u>	<u>Holy Angels Church</u>
June 30, 2011	\$301,004	\$146,232	\$154,772
2012	149,888	149,888	-
2013	154,385	154,385	-
2014	159,016	159,016	-
2015	<u>164,012</u>	<u>164,012</u>	<u>- -</u>
	<u>\$928,305</u>	<u>\$773,533</u>	<u>\$154,772</u>

NOTE 5: CONCENTRATIONS OF CREDIT RISK

The School maintains its bank accounts at multiple financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2010, based upon the School's bank balances, did not exceed the insured limit. During the year, these balances fluctuate and exceed the \$250,000 limit by varying amounts. Management regularly monitors the financial condition of the banking institution, along with their cash balances and attempts to keep this potential risk to a minimum. Concentrations of credit risk with respect to receivables are limited due to the large number of public school districts comprising the School's student base.

BANYAN SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**NOTE 6: BANK CREDIT LINE**

The School maintains a line of credit with a New Jersey bank, which provides for maximum borrowing of \$250,000. Interest only is payable monthly at the Bank's prime rate currently. Borrowings are collateralized by all business assets. There was no balance outstanding under the credit line agreement as of June 30, 2010.

**NOTE 7: PENSION COSTS**

The Banyan School maintains a qualified, non-contributory, defined contribution Simplified Employee Pension Plan (SEP) covering all eligible employees. The Plan was established in 1998. All employees age 21 and have earned at least \$400 are eligible. The Plan is in conformance with the Employee Retirement Income Security Act of 1974 and its successor legislation. The School's retirement plan is in conformance with the Employee Retirement Income Security Act of 1974 and its successor legislation. In addition, both school's retirement plans meet the standards in N.J.A.C. 6A:3A-18.5(a)31 as an allowable cost for a retirement plan and meets the standards of N.J.A.C. 6A:23A-18.5(a)23 as an allowable cost as a fringe benefit. There was no contribution to the Plan for the year ended June 30, 2010.

Employees of the School who complete one year of continuous services and age 21 are eligible to participate in The Banyan School 403(B7) Plan defined contribution plan for faculty and administrative employees. For tax purposes the plan is considered a qualified plan. The plan was established on January 1, 2009. Under the plan, in its present form employees can contribute and the School will match up to 2% eligible full time employees. The School's contribution to the plan was \$61,832 for the year ended June 30, 2010. The School's retirement plans are in conformance with the Employee Retirement Income Security Act (ERISA) of 1974 and its successor legislation.

**NOTE 8: TRANSFER**

A transfer was made July 1, 2009 to segregate temporary restricted donations from the unrestricted fund balance

**NOTE 9: INTEREST EARNED / INTEREST PAID**

The School segregates its tuition funds (cash investments) from all other cash and investments, therefore there is no computation for allocation of interest / dividends income earned / investment of tuition funds.

BANYAN SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**NOTE 10: OTHER REGULATORY PROVISIONS EFFECTING PRIVATE SCHOOLS**

As a result of provisions in the New Jersey Administrative Code, Expenditures of private schools for the disabled are subject to minimum and maximum percentages by major category. Administrative costs cannot exceed 25% and instructional costs must represent at least 55%, of certain allowable expenditures. Amounts expended which do not meet the percentage parameters are disallowed and not able to be charged to public school sending districts.

These amounts, if any, must be funded through unrestricted funds accumulated in prior years or donations, grants fund raising or other current sources of unrestricted revenue and support. The School was in compliance with all percentages and accordingly had no disallowed costs during the fiscal year ended June 30, 2010.

**NOTE 11: UNRESTRICTED FUND DEFICIT**

Unrestricted Fund deficit is attributable to net income and losses from the private school program since 1993 and from non-allowable costs from years beginning in 2009, net of interest income and donations.

The Board of Trustees intends to increase fundraising efforts and eliminate the Unrestricted Fund deficit through donations, contributions, and private placement tuition in future school years.

BANYAN SCHOOL, INC.  
RECOMMENDATIONS - CURRENT YEAR  
JUNE 30, 2010

RECOMMENDATIONS - CURRENT YEAR

None

CURRENT YEAR STATUS OF PRIOR YEARS'  
COMMENTS AND RECOMMENDATIONS

1. A review was performed on all prior years recommendations and corrective action was taken.

BANYAN SCHOOL, INC.  
MANAGEMENT'S DETERMINATION OF THE  
ACTUAL TUITION RATE CHARGED  
FISCAL YEAR ENDED JUNE 30, 2010

Prior to this audit being finalized, representatives of the Banyan School, Inc. and Ronald Zuckerman, CPA met to discuss the results of the auditors' determination of the Certified Actual Cost Per Student in order for management to determine the Final Tuition Rate Charged. In accordance with N.J.A.C. 6A:23A-18.16 et. Seq., the Final Tuition Rates Charged shall be an amount equal to or less than the Certified Actual Cost Per Student regardless of the original tentative tuition rates charged to local school districts.

**PRIMARY SCHOOL PROGRAM**

The School originally charged a Tentative Tuition Rate – Per Diem Rate of \$198.20 and a Tentative Tuition Rate – Total School Year Rate of \$39,243.60 . Based on the Certified Actual Cost Per Student \$40,476.03 – Per Diem Rate of \$204.42 and Certified Actual Cost Student – Total School Year Rate of \$ determined by the audit in accordance N.J.A.C. 6A:23A-18.16 et seq., the management of Banyan School, Inc. determined that the Final Tuition Rate Charged – Per Diem Rate of \$ and Final Tuition Rate Charged \$40,443.57 – Total School Year Rate of \$204.26 will be charged for the 2009-2010 school year. This letter will serve as documentation that management met and discussed the Certified Actual Cost Per Student with the auditor and the determination of the Final Tuition Rate Charged was a Board of Trustees decision.

-----  
Mary Jo Saunders  
Director

-----  
Ronald Zuckerman  
Certified Public Accountant

-----  
Robert Tredinick  
Treasurer

BANYAN SCHOOL, INC.  
MANAGEMENT'S DETERMINATION OF THE  
ACTUAL TUITION RATE CHARGED  
FISCAL YEAR ENDED JUNE 30, 2010

Prior to this audit being finalized, representatives of the Banyan School, Inc. and Ronald Zuckerman, CPA met to discuss the results of the auditors' determination of the Certified Actual Cost Per Student in order for management to determine the Final Tuition Rate Charged. In accordance with N.J.A.C. 6A:23-4.1 et. Seq., the Final Tuition Rates Charged shall be an amount equal to or less than the Certified Actual Cost Per Student regardless of the original tentative tuition rates charged to local school districts.

UPPER SCHOOL PROGRAM

The School originally charged a Tentative Tuition Rate – Per Diem Rate of \$239.65 and a Tentative Tuition Rate – Total School Year Rate of \$43,137. Based on the Certified Actual Cost Per Student – Per Diem Rate of \$244.02 and Certified Actual Cost Student – Total School Year Rate of \$43,923.60 determined by the audit in accordance N.J.A.C. 6A:23A-18.16 et seq., the management of Banyan School, Inc. determined that the Final Tuition Rate Charged – Per Diem Rate of \$239.65 and Final Tuition Rate Charged – Total School Year Rate of \$43,137 will be charged for the 2009-2010 school year. This letter will serve as documentation that management met and discussed the Certified Actual Cost Per Student with the auditor and the determination of the Final Tuition Rate Charged was a Board of Trustees decision.

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Mary Jo Saunders  
Director

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Ronald Zuckerman  
Certified Public Accountant

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Robert Tredinick  
Treasurer